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## COLORADO RIVER COMMISSION OF NEVADA

### NEWS RELEASE

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### **Legislation Extending Hoover Power Contracts Introduced in U.S. Congress**

**Las Vegas, Nevada** – Hoover Power Allocation legislation introduced in the U.S. Congress (S.2891 and H.R. 4349) yesterday will ensure the continued availability and reliability of Hoover Power to consumers in Nevada, Arizona and California after current contracts expire in 2017. Senator Harry Reid, Senator John Ensign, and Members of Congress Dina Titus, Shelley Berkley and Dean Heller sponsored this legislation, along with a bi-partisan group of legislators from California and Arizona.

“This legislation is needed to provide continued clean, reliable and inexpensive hydropower to our municipal, governmental agency and retail customers in Southern Nevada”, said George F. Ogilvie III, Chairman of the Colorado River Commission of Nevada, and Managing Partner of Las Vegas’ McDonald Carano Wilson law firm. “We urge the Congress to pass this legislation quickly to ensure long-term efficient and reliable hydropower delivery from the Colorado River.”

The Hoover Power Allocation Act of 2009 allows existing Hoover contractors to continue receiving allocations of Hoover power to 2067. The contractors include agencies such as the Colorado River Commission of Nevada, the Arizona Power Authority and Metropolitan Water District of Southern California. Five percent of the contractors’ current allocations will be re-distributed to other entities, such as tribes, that do not receive Hoover hydropower today.

A factsheet on the legislation is attached.



# **THE HOOVER POWER** **ALLOCATION ACT**

*Delivering Clean Renewable  
Hydropower to Southwest States and Cities*



## **Fact Sheet**

### **Overview**

Hoover power is a vital power resource for consumers in Arizona, California, and Nevada. Over 29 million people rely on this power, which is a clean renewable source of energy. Since its construction, Hoover Dam power has been allocated by Act of Congress. Hoover power was first allocated by Congress in the Boulder Canyon Project Act of 1928. In 1984, Congress again allocated Hoover power through contracts with state, municipal and utility contractors.

These contracts will expire in 2017. Passage of the proposed Hoover Power Allocation Act of 2009 is critical to ensuring the continued availability and reliability of Hoover power to the citizens of Arizona, California and Nevada.

The 1984 Hoover Power Plant Act distributed Hoover power to the following contractors under three schedules:

**Schedule A** includes the original purchasers of Hoover power as authorized in the Boulder Canyon Project Act of 1928: Metropolitan Water District of Southern California; Cities of Los Angeles, Glendale, Pasadena and Burbank; Southern California Edison Company; Arizona Power Authority; Colorado River Commission of Nevada; and City of Boulder City, Nevada

**Schedule B** includes contractors that advance-funded the Hoover power turbine upratings as authorized in the Hoover Power Plant Act of 1984: State of California (Cities of Glendale, Pasadena, Burbank, Anaheim, Azusa, Banning, Colton, Riverside, Vernon), and States of Arizona and Nevada

**Schedule C** governs allocations of excess energy, if any, to Arizona, California and Nevada as negotiated between the states and the federal government.

### **Distribution of Power under the Proposed Legislation**

Under the proposed legislation, Congress would distribute Hoover power pursuant to Schedules A, B and C ; however, each of the current Hoover contractors would contribute 5% of their Schedules A and B power to a pool that would be distributed under a new Schedule D. Schedule D power would be allocated to federally recognized Indian Tribes and other eligible entities that do not currently purchase Hoover power.

Two-thirds of the Schedule D pool would be allocated through the Western Area Power Administration ("Western"); the remaining one-third of the Schedule D pool would be

distributed in equal shares through the Arizona Power Authority (for new contractors in Arizona), through the Colorado River Commission of Nevada (for new contractors in Nevada), and through Western (for new contractors in California).

## **Why is the Proposed Legislation Necessary?**

The proposed legislation is critical to consumers in Arizona, California and Nevada. These consumers have invested in this clean renewable source of energy over the past 75 years and they are committed to investing in it for another 50 years.

To date, Hoover contractors have invested over \$1.3 billion to construct, upgrade, operate, maintain, and replace Hoover Dam power equipment. From 2010 to 2017, these contractors will continue to invest more than \$600 million in Hoover Dam. If the proposed legislation is enacted, the contractors would pay an additional \$1.6 billion, beginning in 2017, for operation, maintenance, replacement, and equipment upgrades.

Hoover contractors have also committed to providing over \$150 million over 50 years to support the Lower Colorado River Multi-Species Conservation Program (MSCP) for the protection of 26 endangered, threatened and sensitive species on the lower Colorado River. Legislation authorizing the MSCP was enacted by Congress in the 110<sup>th</sup> Congress and signed into law on March 30, 2009. Congressional action is needed to provide certainty to the 29 million beneficiaries of Hoover power and to avoid disruption of decades of careful generation resource planning, procurement and integration by contractors in the three states.

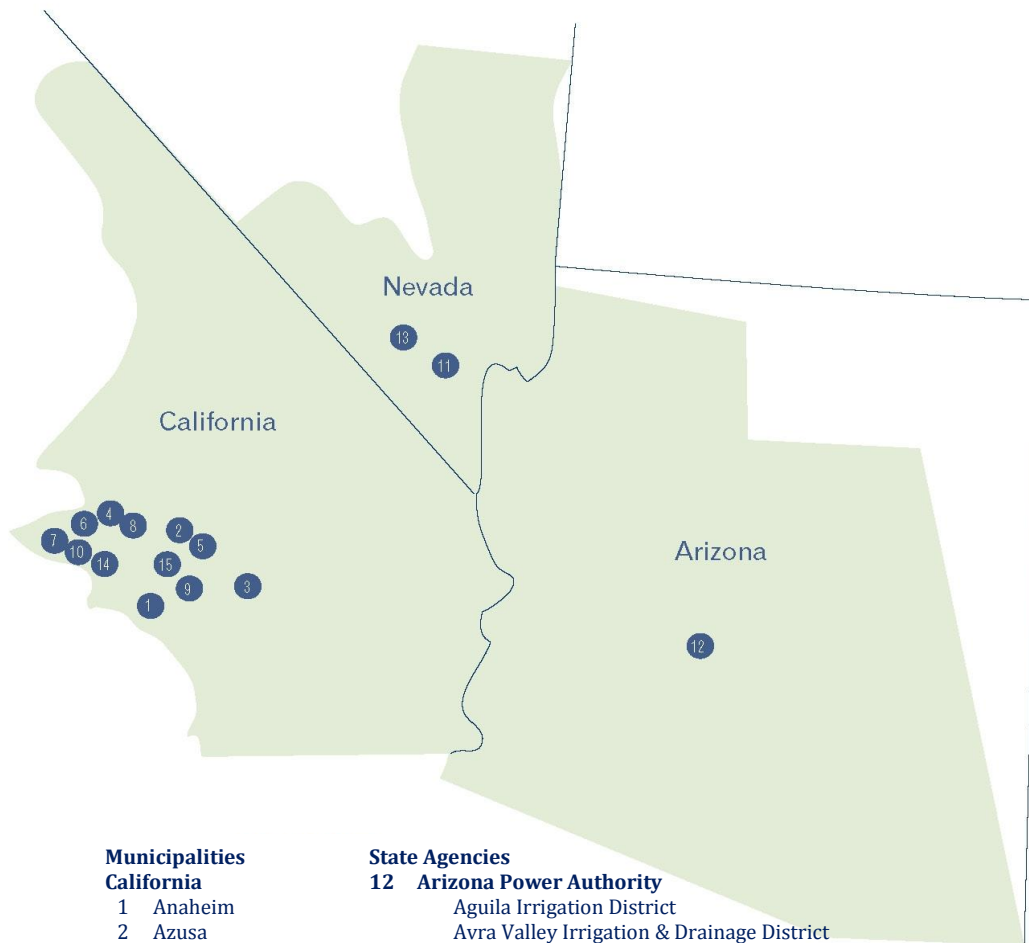
Resource planning laws require utilities to provide long-term certainty when meeting future needs for generation. Hoover power is an important component in meeting these future planning requirements. Certainty in the allocation of Hoover power is also needed for effective regional transmission planning, as states work with the Federal government to re-design and upgrade the regional electric transmission grid.

Finally, water providers depend on Hoover power to ensure efficient and reliable Colorado River water deliveries.

## **Where are Hoover Power Customers Located Today?**

Customers receiving Hoover power are located in the Boulder City Project Marketing Area as shown on the following map.

## Firm Power Customers and Marketing Area

**Municipalities****California**

- 1 Anaheim
- 2 Azusa
- 3 Banning
- 4 Burbank
- 5 Colton
- 6 Glendale
- 7 Los Angeles
- 8 Pasadena
- 9 Riverside
- 10 Vernon

**Nevada**

- 11 Boulder City

**State Agencies****12 Arizona Power Authority**

- Aguila Irrigation District
- Avra Valley Irrigation & Drainage District
- Buckeye Water Conservation District
- Central Arizona Water Conservation District
- Chandler Heights Citrus Irrigation District
- Cortaro-Marana Irrigation District
- E D #2, Pinal, E D #3, Pinal, E D #4, Pinal
- E D #5, Maricopa, E D #5, Pinal, E D #6, Pinal
- E D #7, Maricopa, E D #8, Maricopa
- City of Safford
- Harquahala Valley Power District
- Maricopa County Municipal Water District
- McMullen Valley Water Conservation & Drainage District
- Ocotillo Water Conservation District
- City of Page
- Queen Creek Irrigation District
- Roosevelt Irrigation District
- Roosevelt Water Conservation District
- Salt River Project
- San Tan Irrigation District
- Silverbell Irrigation District
- Town of Thatcher
- Tonopah Irrigation District
- Wellton-Mohawk Irrigation & Drainage District
- Town of Wickenburg

**13 Colorado River Commission of Nevada**

- NV Energy
- Southern Nevada Water Authority
- Boulder City
- Lincoln County Power District No.1
- Overton Power District No. 5
- Valley Electric Association
- Entities at the Basic Management Industrial Complex

**14 Metropolitan Water District of Southern California****Investor-Owned Utilities**

- 15 Southern California Edison Company